

EXHIBIT C

COPY

In The Matter Of:

Cohen

v.

Chicago Title Insurance Company

MARIA ROZNIAKOWSKI

October 18, 2006

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MARIA ROZNIAKOWSKI

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| <div>1</div> <div>IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA CIVIL ACTION NO. 06-0873</div> <div>PEARL E. COHEN, on behalf of herself and all others similarly situated,</div> <div>Plaintiff,</div> <div>v.</div> <div>CHICAGO TITLE INSURANCE COMPANY,</div> <div>Defendant.</div> <div>Philadelphia, Pennsylvania Wednesday, October 18, 2006</div> <div>TRANSCRIPT of testimony of MARIA ROZNIAKOWSKI, as taken by and before Sean M. Fallon, a Federally-Approved Registered Professional Reporter and Notary Public, at the offices of DONOVAN SEARLES, LLC, 1845 Walnut Street, Suite 1100, commencing at 10:13 o'clock in the forenoon.</div> | <div>1</div> <div>INDEX</div> <div>2 WITNESS PAGE</div> <div>3 MARIA ROZNIAKOWSKI</div> <div>4 By Mr. Gordon 6,98</div> <div>5 By Mr. May 85</div> <div>6</div> <div>7 EXHIBITS</div> <div>8 NUMBER DESCRIPTION PAGE</div> <div>9 D-20 Subpoena to Maria P. Rozniakowski 12</div> <div>10 D-21 Subpoena to Custodian of Records 13</div> <div>11</div> <div>12</div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> |
| <div>2</div> <div>1 APPEARANCES:</div> <div>2 QUINN, GORDON & WOLF, CHTD</div> <div>3 BY: RICHARD S. GORDON, ESQ.</div> <div>4 102 West Pennsylvania Avenue, Suite 402</div> <div>5 Towson, MD 21204</div> <div>6 (410) 825-2300</div> <div>7 rgordon@quinnlaw.com</div> <div>8 Attorneys for Plaintiff</div> <div>9 BALLARD, SPAHR, ANDREWS & INGERSOLL, LLP</div> <div>10 BY: DARRYL J. MAY, ESQ.</div> <div>11 STEVEN J. SNYDER, ESQ.</div> <div>12 1735 Market Street, 51st Floor</div> <div>13 Philadelphia, PA 19103-7599</div> <div>14 (215) 864-8103</div> <div>15 may@ballardspahr.com</div> <div>16 snyder@ballardspahr.com</div> <div>17 Attorneys for Defendant</div> <div>18 ALSO PRESENT:</div> <div>19 Barry Forman, Videographer</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> | <div>1</div> <div>2 THE VIDEOGRAPHER: This is the</div> <div>3 videotaped deposition of Marie Rozniakowski, taken</div> <div>4 by the Plaintiff in the matter of Pearl E. Cohen,</div> <div>5 on behalf of herself and all others similarly</div> <div>6 situated, versus Chicago Title Insurance Company.</div> <div>7 This is in the U.S. District Court,</div> <div>8 Eastern District of Pennsylvania, Class Action</div> <div>9 Docket Number CA 06-0873. This deposition is being</div> <div>10 held at the offices of Donovan Searles, on Walnut</div> <div>11 Street in Philadelphia, Pennsylvania, on</div> <div>12 October 18, 2006.</div> <div>13 My name is Barry Forman, from the</div> <div>14 firm of Reporting Associates, with offices in</div> <div>15 Philadelphia, Pennsylvania and Cherry Hill, New</div> <div>16 Jersey, and I am the videographer. The reporter is</div> <div>17 Sean Fallon, also from Reporting Associates.</div> <div>18 We are going on the record at</div> <div>19 approximately 13 minutes past 10:00 o'clock. Will</div> <div>20 counsel please state their appearances for the</div> <div>21 record.</div> <div>22 MR. GORDON: Richard Gordon, on</div> <div>23 behalf of Plaintiffs.</div> <div>24 MR. MAY: Darryl May, on behalf of</div> <div>Defendant, Chicago Title.</div> |

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| <p style="text-align: right;">5</p> <p>1 THE VIDEOGRAPHER: Will the court</p> <p>2 reporter please swear in our witness.</p> <p>3 MR. SNYDER: And Steve Snyder, on</p> <p>4 behalf of Defendant, Chicago Title.</p> <p>5 THE VIDEOGRAPHER: Thank you, Mr.</p> <p>6 Snyder.</p> <p>7 MR. MAY: And, I think, Richard, we</p> <p>8 should just note for the record, although I'm sure</p> <p>9 it will be on the cover sheet, that Ms.</p> <p>10 Rozniakowski, the witness, is un -- is not</p> <p>11 represented at today's deposition.</p> <p>12 MR. GORDON: I was going to ask</p> <p>13 her --</p> <p>14 MR. MAY: Okay, well --</p> <p>15 MR. GORDON: -- as part of the</p> <p>16 deposition.</p> <p>17 MR. MAY: -- I don't want to</p> <p>18 interfere with that.</p> <p>19 THE VIDEOGRAPHER: Court reporter,</p> <p>20 please swear in our witness.</p> <p>21 MARIA ROZNIAKOWSKI, after having</p> <p>22 been first duly sworn, was examined and testified</p> <p>23 as follows:</p> <p>24 THE VIDEOGRAPHER: We may proceed.</p> | <p style="text-align: right;">7</p> <p>1 Q. If you don't understand any</p> <p>2 questions, or need me to rephrase them or restate</p> <p>3 them, I'd be glad to. If you don't ask me to</p> <p>4 rephrase them or restate them, I will work on the</p> <p>5 understanding that you understand the question that</p> <p>6 you've answered.</p> <p>7 A. Okay.</p> <p>8 Q. If at any point you need to take a</p> <p>9 break, please let me know, I'll try to accommodate</p> <p>10 at a reasonable time.</p> <p>11 A. Okay.</p> <p>12 Q. Okay?</p> <p>13 What's your position with Chelsea</p> <p>14 Land Transfer, Inc.?</p> <p>15 A. I am a settlement clerk.</p> <p>16 Q. And what is a settlement clerk?</p> <p>17 A. We conduct closings.</p> <p>18 Q. Is that the same position as a</p> <p>19 settlement officer?</p> <p>20 A. Settlement officer, settlement</p> <p>21 agent. A number of names for it.</p> <p>22 Q. Okay.</p> <p>23 What are your general areas of</p> <p>24 responsibility at Chelsea?</p> |
| <p style="text-align: right;">6</p> <p>1 EXAMINATION</p> <p>2 BY MR. GORDON:</p> <p>3 Q. Good morning, Ms. Rozniakowski.</p> <p>4 A. Hi.</p> <p>5 Q. How are you today?</p> <p>6 A. Fine, thank you.</p> <p>7 Q. My name is Richard Gordon. I</p> <p>8 represent the Plaintiffs in the case of Cohen</p> <p>9 versus Chicago Title.</p> <p>10 Have you ever had your deposition</p> <p>11 taken before?</p> <p>12 A. No.</p> <p>13 Q. Are you represented today by</p> <p>14 counsel?</p> <p>15 A. No.</p> <p>16 Q. Well, let me give you the basic</p> <p>17 ground rules for today. It's very simple. I'm</p> <p>18 going to ask you a series of oral questions to</p> <p>19 which I need oral responses. The court reporter</p> <p>20 will be taking down your testimony and cannot</p> <p>21 interpret any nods or gestures on your part, so</p> <p>22 it's very important that you verbalize your</p> <p>23 response.</p> <p>24 A. Understood.</p> | <p style="text-align: right;">8</p> <p>1 A. I --</p> <p>2 Q. And is it okay if I call the company</p> <p>3 "Chelsea," for purposes of this deposition?</p> <p>4 A. Yes, you can call the company</p> <p>5 Chelsea.</p> <p>6 I overlook files. Obviously,</p> <p>7 perform settlements, talk to clients, answer</p> <p>8 questions.</p> <p>9 Q. Are you a notary public?</p> <p>10 A. I am getting my notary public right</p> <p>11 now.</p> <p>12 Q. Okay.</p> <p>13 Are you involved with title insurers</p> <p>14 at all, the title underwriters?</p> <p>15 A. Only when we have questions.</p> <p>16 Q. Okay.</p> <p>17 At some point Chelsea, as I</p> <p>18 understand it, was an appointed agent for Chicago</p> <p>19 Title?</p> <p>20 A. Correct.</p> <p>21 Q. Were you involved at all with</p> <p>22 Chicago Title? Did you ever have any dealings with</p> <p>23 them?</p> <p>24 A. Is your question, did I ever have a</p> |

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| <p>9</p> <p>1 need to call Chicago to answer title issues?</p> <p>2 Because I don't believe I can answer that. I</p> <p>3 wouldn't be able to remember.</p> <p>4 Q. Okay, okay.</p> <p>5 How many years have you been in the</p> <p>6 title industry?</p> <p>7 A. Approximately 22.</p> <p>8 Q. And could you go through the types</p> <p>9 of positions that you've had, other than settlement</p> <p>10 clerk.</p> <p>11 A. I've been in management positions --</p> <p>12 Q. Have you always --</p> <p>13 A. -- where I oversaw an office.</p> <p>14 Q. Have you been involved in all</p> <p>15 aspects of the title process?</p> <p>16 A. Yes.</p> <p>17 Q. And the escrow process, as well?</p> <p>18 A. Yes.</p> <p>19 Q. So that would be from the time that</p> <p>20 the referral comes in and up until the time that</p> <p>21 the policy is issued?</p> <p>22 A. Yes.</p> <p>23 Q. Would you say that you are fairly</p> <p>24 familiar with the entire title process?</p> | <p>11</p> <p>1 A. Needed a change.</p> <p>2 Q. Is it your experience that -- that</p> <p>3 title agents run all about the same?</p> <p>4 MR. MAY: Object to form.</p> <p>5 THE WITNESS: I would think so.</p> <p>6 BY MR. GORDON:</p> <p>7 Q. In preparing for your deposition</p> <p>8 today -- and you've been subpoenaed to appear</p> <p>9 today, is that correct?</p> <p>10 A. Correct.</p> <p>11 Q. Did you review any documents prior</p> <p>12 to coming here today?</p> <p>13 A. No.</p> <p>14 Q. Did you talk with anyone in</p> <p>15 preparation for your deposition?</p> <p>16 A. No.</p> <p>17 Q. Did you talk to any attorneys?</p> <p>18 A. No.</p> <p>19 Q. Were you -- do you recall Ms. Cohen?</p> <p>20 A. Vaguely.</p> <p>21 Q. You were involved in her</p> <p>22 transaction?</p> <p>23 A. I was.</p> <p>24 Q. You were the closer?</p> |
| <p>10</p> <p>1 A. Yes.</p> <p>2 Q. How long have you been with Chelsea</p> <p>3 Land Transfer?</p> <p>4 A. I've been with them for about five</p> <p>5 years. July of '01 is when I started.</p> <p>6 Q. July of '01.</p> <p>7 And, when you began with them, were</p> <p>8 you also a settlement clerk at that time?</p> <p>9 A. Yes.</p> <p>10 Q. What was your position before July</p> <p>11 of '01?</p> <p>12 A. I managed another title agency.</p> <p>13 Q. Which company?</p> <p>14 A. Global Abstract Agency, Inc.</p> <p>15 Q. Where is Global located?</p> <p>16 A. 1420 Lombard, in Philadelphia.</p> <p>17 Q. What did you do with Global?</p> <p>18 A. I managed the office.</p> <p>19 Q. How long were you with Global?</p> <p>20 A. About 18 years.</p> <p>21 Q. Any other companies, other than</p> <p>22 Chelsea and Global?</p> <p>23 A. No.</p> <p>24 Q. Why did you leave Global?</p> | <p>12</p> <p>1 A. I was the closer.</p> <p>2 Q. Do you have any specific</p> <p>3 recollection of that closing?</p> <p>4 A. I probably remember her mortgage</p> <p>5 broker.</p> <p>6 Q. Anything more than that?</p> <p>7 A. I can't say definitively that I</p> <p>8 specifically remember her settlement.</p> <p>9 (Exhibit D-20 is marked for</p> <p>10 identification.)</p> <p>11 BY MR. GORDON:</p> <p>12 Q. Okay.</p> <p>13 Let me show you what's been marked</p> <p>14 as Deposition Exhibit Number 20 in this case, and</p> <p>15 that's the subpoena that brought you here today.</p> <p>16 A. Right.</p> <p>17 Q. And if you could please turn to the</p> <p>18 Notice of Deposition -- I thought there was a</p> <p>19 document schedule, but clearly I was wrong on that.</p> <p>20 Were you requested to bring with you</p> <p>21 today a copy of the Agency Agreement, if you could</p> <p>22 find it?</p> <p>23 A. Yes.</p> <p>24 Q. Did you -- did you find it?</p> |

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| <p style="text-align: right;">13</p> <p>1 A. No.</p> <p>2 Q. Do you have any records whatsoever</p> <p>3 with respect to Chelsea's relationship with Chicago</p> <p>4 Title?</p> <p>5 A. Not that I was able to find, other</p> <p>6 than our closing file.</p> <p>7 (Exhibit D-21 is marked for</p> <p>8 identification.)</p> <p>9 BY MR. GORDON:</p> <p>10 Q. Okay.</p> <p>11 Let me show you what's been marked</p> <p>12 as Deposition Exhibit Number 21, and this is</p> <p>13 another subpoena that was issued in April of this</p> <p>14 year -- I'm sorry, in March of this year to Chelsea</p> <p>15 that has a document schedule attached to it.</p> <p>16 It's my understanding that you were</p> <p>17 the primary contact for responding to this subpoena</p> <p>18 on behalf of Chelsea.</p> <p>19 A. Yes, I was.</p> <p>20 Q. What did you do to gather records in</p> <p>21 connection with this?</p> <p>22 A. Well, I first -- I tried to</p> <p>23 determine exactly what you needed, so, if it was in</p> <p>24 terms of files -- well, since Chelsea was not</p> | <p style="text-align: right;">15</p> <p>1 A. Sure.</p> <p>2 Q. Who else did you talk to?</p> <p>3 A. Everyone in the office. All the</p> <p>4 conveyancers, the receptionists, if they had</p> <p>5 anything, looked through their offices.</p> <p>6 Q. And what you produced to the</p> <p>7 Plaintiffs is Deposition Exhibit 19, and I'd like</p> <p>8 you to just take a quick second to look through</p> <p>9 that to make sure that that's a complete and</p> <p>10 accurate representation of what was produced in</p> <p>11 this case.</p> <p>12 A. Yes.</p> <p>13 Q. To the best of your knowledge today,</p> <p>14 are there any other documents in the possession of</p> <p>15 Chelsea that relate to the relationship between</p> <p>16 Chelsea and Chicago Title?</p> <p>17 A. I have not found any, other than,</p> <p>18 obviously, our files.</p> <p>19 Q. Okay.</p> <p>20 What is Chelsea?</p> <p>21 A. Chelsea is a title insurance agency.</p> <p>22 Q. What does that mean?</p> <p>23 A. It means we insure owners -- well,</p> <p>24 we issue owners' and lender policies for title</p> |
| <p style="text-align: right;">14</p> <p>1 automated prior to 2000 or late 2000, and you were</p> <p>2 asking for records from 1999, I believe I spoke to</p> <p>3 David at some point about gathering all this</p> <p>4 information, because that would have -- we would</p> <p>5 have had to pull every single folder and made</p> <p>6 copies of those documents, which would have taken</p> <p>7 quite some time, and certainly not enough time</p> <p>8 given to us by the subpoena.</p> <p>9 Q. Okay. And, when you say "David,"</p> <p>10 you mean Mr. --</p> <p>11 A. Searles.</p> <p>12 Q. -- you mean David Searles?</p> <p>13 A. Right.</p> <p>14 Q. Okay.</p> <p>15 A. I spoke to him about what else we</p> <p>16 could give him and, of course, as a result of that</p> <p>17 conversation, you were given a log and the entire</p> <p>18 contents of Ms. Cohen's file.</p> <p>19 Q. Okay.</p> <p>20 Did you talk to anyone within</p> <p>21 Chelsea to see if they had any records --</p> <p>22 A. Oh, yes.</p> <p>23 Q. -- that would have been responsive</p> <p>24 to the document requests?</p> | <p style="text-align: right;">16</p> <p>1 insurance.</p> <p>2 Q. When was it --</p> <p>3 A. Sell title insurance, so....</p> <p>4 Q. When was it established?</p> <p>5 A. I do not have the answer to that.</p> <p>6 Q. You don't know what year it was</p> <p>7 opened?</p> <p>8 A. No.</p> <p>9 Q. Do you know approximately how long</p> <p>10 it's been open?</p> <p>11 A. I would guess -- I believe it might</p> <p>12 be 1985.</p> <p>13 Q. Do you know who the founders were?</p> <p>14 A. Robert Cook.</p> <p>15 Q. Is Mr. Cook still with the company?</p> <p>16 A. Yes.</p> <p>17 Q. Is he the owner of the company</p> <p>18 today?</p> <p>19 A. He is.</p> <p>20 Q. Is there any other principals in the</p> <p>21 company?</p> <p>22 A. Not that I'm aware of.</p> <p>23 Q. Do you have any ownership interest</p> <p>24 in the company?</p> |

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| <p style="text-align: right;">17</p> <p>1 A. No, I do not.</p> <p>2 Q. In the -- in the flowchart of people</p> <p>3 and responsibilities within Chelsea, where do you</p> <p>4 fall?</p> <p>5 A. At -- right under Mr. Cook.</p> <p>6 Q. Okay.</p> <p>7 So, it's yourself and then -- Mr.</p> <p>8 Cook and then yourself. Are there any others on</p> <p>9 your --</p> <p>10 A. Along with another co-worker.</p> <p>11 Q. And who would that be?</p> <p>12 A. Denise Latta.</p> <p>13 Q. She's another settlement clerk?</p> <p>14 A. Yes.</p> <p>15 Q. How many other people are in the</p> <p>16 office, other than the three of you?</p> <p>17 A. We have two conveyancers, a</p> <p>18 receptionist, an REO specialist, and a part-time</p> <p>19 bookkeeper/accountant.</p> <p>20 Q. What is an REO specialist?</p> <p>21 A. Someone who specializes in closings</p> <p>22 for banks.</p> <p>23 Q. Okay.</p> <p>24 And is Chelsea currently appointed</p> | <p style="text-align: right;">19</p> <p>1 Q. -- part of my question.</p> <p>2 A. Sure.</p> <p>3 Chicago.</p> <p>4 Q. When did the relationship with</p> <p>5 Chicago end?</p> <p>6 A. I can't give you a definitive date</p> <p>7 on that. I can only tell you when, you know, we</p> <p>8 last did a check to them.</p> <p>9 Q. Was that sometime in 2003?</p> <p>10 A. I'm not sure what was in here.</p> <p>11 Whatever was in here, the last date. I don't think</p> <p>12 I saw a check for '03.</p> <p>13 Oh, June 30th.</p> <p>14 I -- I guess I could find the answer</p> <p>15 to that question or I guess Chicago would know.</p> <p>16 Q. Do you know if the relationship with</p> <p>17 Chicago Title was terminated by Chicago Title or</p> <p>18 was it the decision of Chelsea?</p> <p>19 A. I don't know that information.</p> <p>20 Q. Do you know what brought it about at</p> <p>21 all?</p> <p>22 A. I do not.</p> <p>23 Q. Who would have that information?</p> <p>24 A. I believe Chicago and the owner of</p> |
| <p style="text-align: right;">18</p> <p>1 by any title insurance underwriters?</p> <p>2 A. Yes.</p> <p>3 Q. Which ones?</p> <p>4 A. Old Republic and Fidelity National,</p> <p>5 and I believe also Stewart.</p> <p>6 Q. It's pretty typical to have more</p> <p>7 than one company that underwrites you?</p> <p>8 A. I'm not sure if it's typical.</p> <p>9 Q. In the two companies that you've</p> <p>10 been in, has that always been the case, it's been</p> <p>11 more than one company that appointed --</p> <p>12 A. No. The company I worked for</p> <p>13 previously only had one underwriter the whole time</p> <p>14 I was there.</p> <p>15 Q. Okay.</p> <p>16 What was the underwriter there?</p> <p>17 A. First American.</p> <p>18 Q. First American.</p> <p>19 Other than the -- the three</p> <p>20 underwriters that you mentioned, have there been</p> <p>21 others in your -- during your tenure at Chelsea?</p> <p>22 A. Other than -- along with Chicago?</p> <p>23 Q. Well, that's --</p> <p>24 A. Well, then, Chicago.</p> | <p style="text-align: right;">20</p> <p>1 the company.</p> <p>2 Q. But it's your understanding that</p> <p>3 your company no longer underwrites any title</p> <p>4 insurance with Chicago Title?</p> <p>5 A. Correct.</p> <p>6 Q. Does Chelsea handle commercial as</p> <p>7 well as residential properties?</p> <p>8 A. Periodically.</p> <p>9 Q. What percentage of the business is</p> <p>10 residential?</p> <p>11 A. The majority of the percentage is</p> <p>12 residential.</p> <p>13 Q. Almost all of it?</p> <p>14 A. Almost all of it, yes.</p> <p>15 Q. In excess of 95 percent?</p> <p>16 A. Yes.</p> <p>17 Q. Okay.</p> <p>18 And, as part of your duties and</p> <p>19 responsibilities, you handle closings?</p> <p>20 A. Correct.</p> <p>21 Q. You disburse funds?</p> <p>22 A. Correct.</p> <p>23 Q. You -- the company acts as the title</p> <p>24 insurance agent?</p> |

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| <p style="text-align: right;">21</p> <p>1 A. Correct.</p> <p>2 Q. You provide notary services?</p> <p>3 A. Correct.</p> <p>4 Q. And also general settlement and</p> <p>5 escrow services?</p> <p>6 A. Correct.</p> <p>7 Q. How many closings would you say you</p> <p>8 personally have handled during your time at</p> <p>9 Chelsea?</p> <p>10 A. Geez, thousands. You want a number?</p> <p>11 Q. I don't want an exact number.</p> <p>12 A. I'd have to run you a report.</p> <p>13 Q. That's sort of putting you on the</p> <p>14 spot.</p> <p>15 A. I -- let's see -- probably did, on</p> <p>16 average -- that's kind of hard to say -- maybe the</p> <p>17 first couple years, probably about 40 a month and,</p> <p>18 of course, the market has slowed, so --</p> <p>19 Q. So that would have been in the --</p> <p>20 A. -- we are not anywhere near that</p> <p>21 right now.</p> <p>22 Q. That was in the 2000, 2001</p> <p>23 time frame?</p> <p>24 A. '01, '02, '03, probably even into</p> | <p style="text-align: right;">23</p> <p>1 Cook?</p> <p>2 A. They are controlled business</p> <p>3 arrangements.</p> <p>4 Q. What's a controlled business</p> <p>5 arrangement?</p> <p>6 A. It's a company owned by a title</p> <p>7 insurance agent/owner and maybe a real estate</p> <p>8 broker or real estate -- someone else in -- in a</p> <p>9 related field.</p> <p>10 Q. Okay.</p> <p>11 Do you know whose -- so, let's say</p> <p>12 Northwest Abstract would be owned by Mr. Cook and a</p> <p>13 real estate agent?</p> <p>14 A. Or -- I can't give you -- I can't</p> <p>15 tell you if they are the actual owners, but Elfant</p> <p>16 Wissahickon Realtors --</p> <p>17 Q. Excuse me?</p> <p>18 A. Where -- it's a controlled business</p> <p>19 arrangement with Elfant Wissahickon. What I'm</p> <p>20 saying is, I can't tell you whether or not Elfant</p> <p>21 Wissahickon, the company, is the partner or whether</p> <p>22 the persons involved with Elfant are the owners</p> <p>23 with Mr. Cook.</p> <p>24 Q. Okay.</p> |
| <p style="text-align: right;">22</p> <p>1 '04.</p> <p>2 Q. That was you, personally, each</p> <p>3 month?</p> <p>4 A. Sure. Probably about 40 of them.</p> <p>5 Q. Could I double that number, since</p> <p>6 there is another settlement clerk?</p> <p>7 A. Oh, you know what? I'm sorry. You</p> <p>8 said just Chelsea. I also do settlements for two</p> <p>9 other companies that are there, so that would have</p> <p>10 been accumulative (sic), so I -- I really can't</p> <p>11 give you a number that would just be -- just be</p> <p>12 Chelsea's number --</p> <p>13 Q. Okay.</p> <p>14 A. -- right now.</p> <p>15 Q. What other companies do you conduct</p> <p>16 closings for?</p> <p>17 A. Northwest Abstract and Equitable</p> <p>18 Land Transfer.</p> <p>19 Q. Equitable Land Transfer?</p> <p>20 A. Um-hum.</p> <p>21 Q. They are located out of the same</p> <p>22 offices?</p> <p>23 A. Yes.</p> <p>24 Q. Are these also entities owned by Mr.</p> | <p style="text-align: right;">24</p> <p>1 What about Equitable Land Transfer?</p> <p>2 A. And that would be Coldwell Banker</p> <p>3 buying property.</p> <p>4 Q. Do -- do either of these companies,</p> <p>5 Northwest or Equitable, have any employees of their</p> <p>6 own?</p> <p>7 A. Yes.</p> <p>8 Q. Who would be an employee of theirs?</p> <p>9 A. They would have conveyancers.</p> <p>10 Q. Do they work out of your offices?</p> <p>11 A. Yes.</p> <p>12 Q. For example, with Northwest</p> <p>13 Abstract, how many separate employees do they have?</p> <p>14 A. I believe Northwest has two, I</p> <p>15 believe Equitable has two.</p> <p>16 Q. These are conveyancers. What are</p> <p>17 conveyancers?</p> <p>18 A. Conveyancer, processor, they are the</p> <p>19 people that take the applications, prepare the</p> <p>20 commitments, do everything that they need to do in</p> <p>21 order to get the file to closing. Everything prior</p> <p>22 to -- to settlement.</p> <p>23 Q. Do the two individuals who work for</p> <p>24 Northwest also work for Equitable?</p> |

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| <p style="text-align: right;">25</p> <p>1 A. No. They are -- no.</p> <p>2 Q. They are four separate individuals?</p> <p>3 A. Yes.</p> <p>4 Q. Okay.</p> <p>5 Do you also work for Northwest and</p> <p>6 for Equitable?</p> <p>7 A. Only in a capacity of a settlement</p> <p>8 clerk. It's -- I'm not an employee of those</p> <p>9 companies.</p> <p>10 Q. Okay.</p> <p>11 They borrow you to close the loans?</p> <p>12 A. Yes.</p> <p>13 Well, they hire me.</p> <p>14 Q. Do you know how long Northwest and</p> <p>15 Equitable have been in business?</p> <p>16 A. I do not.</p> <p>17 Q. Have they been there the entire time</p> <p>18 that you've been around?</p> <p>19 A. Yes.</p> <p>20 Q. How is the office set up? Is it --</p> <p>21 is it one big open space or does everybody have</p> <p>22 their own separate office?</p> <p>23 A. Everyone has their own separate</p> <p>24 office, except for the receptionist, who is in the</p> | <p style="text-align: right;">27</p> <p>1 encumbrances, anything that would adversely affect</p> <p>2 their title to the property by persons who owned it</p> <p>3 prior to them.</p> <p>4 Q. And that would be a policy that's</p> <p>5 issued in almost every case where there is a</p> <p>6 purchase money mortgage?</p> <p>7 A. Yes.</p> <p>8 MR. MAY: Object to the form.</p> <p>9 BY MR. GORDON:</p> <p>10 Q. And it remains --</p> <p>11 A. Every case.</p> <p>12 Q. Every case, okay.</p> <p>13 It's issued only once?</p> <p>14 A. Yes.</p> <p>15 Q. And it remains in effect for the</p> <p>16 entire time that the individual owns the property?</p> <p>17 A. Correct.</p> <p>18 Q. What's a lender's title insurance</p> <p>19 policy?</p> <p>20 A. Lender's title insurance policy</p> <p>21 works the same way as an owner's policy, only for</p> <p>22 the benefit of the lender. That there are no other</p> <p>23 intervening liens or encumbrances that would</p> <p>24 adversely affect their -- the priority of their</p> |
| <p style="text-align: right;">26</p> <p>1 front.</p> <p>2 Q. Okay.</p> <p>3 So you -- you walk in the door and</p> <p>4 is there -- is there a sign that says "Chelsea Land</p> <p>5 Transfer"?</p> <p>6 A. There is a sign that says "Chelsea</p> <p>7 Land Transfer," yes, and "Northwest," and</p> <p>8 "Equitable."</p> <p>9 Q. There is a separate sign for them?</p> <p>10 A. Yes.</p> <p>11 Q. Do they just have offices within</p> <p>12 your office space?</p> <p>13 A. Yes.</p> <p>14 Q. Does each person from each of these</p> <p>15 companies have their own offices?</p> <p>16 A. Yes.</p> <p>17 Q. Well, I'd like to run through some</p> <p>18 definitions to make sure that we are all operating</p> <p>19 off the same page today.</p> <p>20 Can you tell me what an owner's</p> <p>21 title insurance policy is?</p> <p>22 A. An owner's title insurance policy is</p> <p>23 a policy -- we ensure the owner that the purchase</p> <p>24 of their property is free and clear from any</p> | <p style="text-align: right;">28</p> <p>1 mortgage in -- in a first position.</p> <p>2 Q. And, likewise, this -- a lender's</p> <p>3 title insurance policy is issued in every case</p> <p>4 where there is a first mortgage, is it not?</p> <p>5 MR. MAY: Object to form.</p> <p>6 THE WITNESS: Yes.</p> <p>7 BY MR. GORDON:</p> <p>8 Q. The premiums also were paid only</p> <p>9 once?</p> <p>10 A. The premiums were paid once, yes.</p> <p>11 Q. They were paid by the borrower?</p> <p>12 A. Paid by the borrower at the highest</p> <p>13 amount. Owners or lenders, whichever the case may</p> <p>14 be.</p> <p>15 Q. What do you mean, "at the highest</p> <p>16 amount"?</p> <p>17 A. Whatever policy is going to be</p> <p>18 higher. Sometimes there is a loan policy that</p> <p>19 might be higher than the purchase price, if it's --</p> <p>20 if it's a rehab, or they are borrowing more --</p> <p>21 Q. Got it.</p> <p>22 A. -- money than they are purchasing</p> <p>23 the property for.</p> <p>24 Q. Okay.</p> |

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| <p style="text-align: right;">29</p> <p>1 And, with the lender's title</p> <p>2 insurance policy, it's for the beneficiary of the</p> <p>3 lender, is it not?</p> <p>4 A. Correct.</p> <p>5 Q. It doesn't benefit the owner at all</p> <p>6 to have that?</p> <p>7 A. No.</p> <p>8 Q. Other than the fact that they are</p> <p>9 required to get it as part of the mortgage?</p> <p>10 A. Exactly, right. It's a requirement</p> <p>11 to get the loan.</p> <p>12 Q. Do you know what the -- what the</p> <p>13 filed rate is? Are you familiar with that term?</p> <p>14 A. Yes.</p> <p>15 Q. And what is that?</p> <p>16 A. Filed rates are the rates that</p> <p>17 insurance companies charge for the issuance of the</p> <p>18 insurance as set by the insurance commission.</p> <p>19 Q. And, in Pennsylvania, that's the</p> <p>20 same rate for all title insurance companies --</p> <p>21 A. Correct.</p> <p>22 Q. -- is it not?</p> <p>23 Are you familiar with the term</p> <p>24 "TIRBOP"?</p> | <p style="text-align: right;">31</p> <p>1 Q. How many loans overall has Chelsea</p> <p>2 Land Transfer handled since you started?</p> <p>3 A. I don't have the answer to that</p> <p>4 question. I'm not the only closer.</p> <p>5 Q. Right.</p> <p>6 A. And I couldn't even give you an</p> <p>7 answer as to how many I would have done.</p> <p>8 Q. How many are you doing now?</p> <p>9 A. Maybe ten a month.</p> <p>10 Q. Now, you said, in the 2000, 2001</p> <p>11 time frame, you were doing about 40?</p> <p>12 A. Correct. Accumulatively, 40.</p> <p>13 Q. This would be for Chelsea, for</p> <p>14 Northwest, and for Equitable?</p> <p>15 A. Correct.</p> <p>16 Q. At the time that you were -- that</p> <p>17 you first started, when Chelsea was still</p> <p>18 underwriting loans for -- I'm sorry, underwriting</p> <p>19 insurance for Chicago Title, how many other</p> <p>20 underwriters were they -- was Chelsea dealing with?</p> <p>21 A. I don't know.</p> <p>22 Q. Was Chelsea exclusively underwriting</p> <p>23 the loans -- the insurance policies with Chicago</p> <p>24 Title?</p> |
| <p style="text-align: right;">30</p> <p>1 A. Yes.</p> <p>2 Q. What is the -- the TIRBOP Manual?</p> <p>3 A. Right. We have the two manuals, the</p> <p>4 TIRBOP Manual and the ALTA Manual, where the</p> <p>5 insurance commission sets -- sets our uses for</p> <p>6 endorsements and title practices.</p> <p>7 Q. And you are required to follow the</p> <p>8 TIRBOP Manual, are you not?</p> <p>9 A. Um-hum. Yes.</p> <p>10 Q. Thank you.</p> <p>11 In fact, it would be illegal not to</p> <p>12 follow the TIRBOP Manual, wouldn't it?</p> <p>13 A. Well, when you say -- what do you --</p> <p>14 can you clarify that? File it with -- with -- what</p> <p>15 do you mean by "file the TIRBOP Manual"?</p> <p>16 Q. No. It's illegal to -- it's illegal</p> <p>17 not to follow the TIRBOP Manual.</p> <p>18 A. Oh, follow. I thought you said</p> <p>19 "file."</p> <p>20 Q. My Baltimore accent.</p> <p>21 A. Okay, follow.</p> <p>22 Q. I apologize.</p> <p>23 A. Sorry.</p> <p>24 Yes.</p> | <p style="text-align: right;">32</p> <p>1 A. I -- I don't know.</p> <p>2 Q. Well, do you recall, in your</p> <p>3 experience, if you did -- if you exclusively sent</p> <p>4 the loans to Chelsea -- to Chicago Title?</p> <p>5 A. Well, I wouldn't have sent -- I</p> <p>6 really can't answer that. I'm not sure.</p> <p>7 I don't know if Chelsea had another</p> <p>8 underwriter at the time other than Chicago. They</p> <p>9 could have had an Agency Agreement that wasn't</p> <p>10 being used. I just don't know.</p> <p>11 Q. Well, you mentioned three other</p> <p>12 underwriters, Old Republic, Fidelity National, and</p> <p>13 Stewart.</p> <p>14 A. Right.</p> <p>15 Q. Today, in your office, what</p> <p>16 percentage of insurance policies are underwritten</p> <p>17 by the three of those companies?</p> <p>18 A. Right now, a hundred percent of them</p> <p>19 are going to Fidelity National.</p> <p>20 Q. Do you know why that is?</p> <p>21 A. We just like the rep.</p> <p>22 Q. Okay. That's a good reason.</p> <p>23 Who is the representative?</p> <p>24 A. Dan Hogan.</p> |

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| <p style="text-align: right;">33</p> <p>1 Q. In the 2001, 2002 time frame, were</p> <p>2 you also dealing with Fidelity National?</p> <p>3 A. No.</p> <p>4 Q. That's a more recent occurrence?</p> <p>5 A. Yes.</p> <p>6 Q. Do you know when that relationship</p> <p>7 started? The Fidelity National relationship?</p> <p>8 A. Maybe last January.</p> <p>9 Q. Insurance policies that are issued</p> <p>10 today, how many get the refinance rate or the</p> <p>11 re-issue rate?</p> <p>12 A. Should be all of them that get the</p> <p>13 re-issue rate or the substitution rate, when</p> <p>14 warranted.</p> <p>15 Q. And why do you say that?</p> <p>16 A. Why do I say that?</p> <p>17 Q. Um-hum.</p> <p>18 A. I don't understand what you mean.</p> <p>19 Why wouldn't I say that?</p> <p>20 Q. Because they would all -- is it</p> <p>21 because they would all be eligible for it?</p> <p>22 MR. MAY: Object to form.</p> <p>23 THE WITNESS: Whichever one warrants</p> <p>24 it, the re-issue rates or the substitution rates,</p> | <p style="text-align: right;">35</p> <p>1 going to ask, for the record, since the witness is</p> <p>2 unrepresented, that she can certainly answer her</p> <p>3 questions to the best of her ability, but she</p> <p>4 shouldn't guess about things or speculate.</p> <p>5 THE WITNESS: Well, I'm hoping I'm</p> <p>6 making it clear that -- you know, when you are</p> <p>7 asking me these questions, that I'm giving you my</p> <p>8 best guess --</p> <p>9 BY MR. GORDON:</p> <p>10 Q. No. I understand that.</p> <p>11 A. -- when I'm -- say I don't -- I</p> <p>12 can't give you a definitive answer on percentages</p> <p>13 or numbers without having that information in my</p> <p>14 possession.</p> <p>15 Q. I'm not asking you --</p> <p>16 A. Right.</p> <p>17 Q. -- you know, tell me 88.3 percent.</p> <p>18 I'm asking for a ballpark figure.</p> <p>19 A. Right. Well, in order to give you</p> <p>20 that, I would have to be -- I would need to know</p> <p>21 how many policies we write where there is existing</p> <p>22 coverage and, of course, that's not always the</p> <p>23 case. We -- we do have customers who come in whose</p> <p>24 coverage -- whose ownership has exceeded the</p> |
| <p style="text-align: right;">34</p> <p>1 then they would -- should get the --</p> <p>2 BY MR. GORDON:</p> <p>3 Q. Okay.</p> <p>4 A. -- re-issue rate or substitution</p> <p>5 rate.</p> <p>6 Did I misunderstand your question?</p> <p>7 Q. I think you did.</p> <p>8 A. Okay.</p> <p>9 Q. I think you did. And I just want to</p> <p>10 make sure the record's clear.</p> <p>11 Do -- do you give the re-issue rate</p> <p>12 or the refinance rate for every policy that you</p> <p>13 underwrite?</p> <p>14 A. No.</p> <p>15 Q. What percentage of the total number</p> <p>16 of policies that you write do you currently give</p> <p>17 the re-issue rate or the refinance rate?</p> <p>18 A. I don't believe I can give you a</p> <p>19 percentage.</p> <p>20 Q. How about a ballpark?</p> <p>21 MR. MAY: And I'm --</p> <p>22 THE WITNESS: That's sort of an</p> <p>23 impossibility.</p> <p>24 MR. MAY: Excuse me. I was just</p> | <p style="text-align: right;">36</p> <p>1 ten-year limit and they are no longer -- their</p> <p>2 buyers wouldn't be eligible for the re-issue rate.</p> <p>3 Q. Um-hum.</p> <p>4 A. I would have no way of giving you</p> <p>5 the information that you are requesting without</p> <p>6 looking at every single file to see why he did not</p> <p>7 get that re-issue rate.</p> <p>8 Q. That's fair enough. That's fair</p> <p>9 enough.</p> <p>10 What is your understanding as to the</p> <p>11 criteria that qualifies someone for the re-issue</p> <p>12 rate?</p> <p>13 A. A buyer is entitled to the re-issue</p> <p>14 rate if there is existing coverage on the -- on the</p> <p>15 property within that ten-year limit. If the -- if</p> <p>16 the current owner has owned the property with</p> <p>17 insurance within ten years, the buyer is entitled</p> <p>18 to the re-issue rate.</p> <p>19 Q. Okay.</p> <p>20 What about on a re-fi?</p> <p>21 A. On a refinance, well, we just</p> <p>22 changed the rates for that now, and we have the</p> <p>23 first -- there is a 20 percent discount --</p> <p>24 Q. For purposes of today --</p> |

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| <p style="text-align: right;">37</p> <p>1 A. Okay.</p> <p>2 Q. -- let's go with the older rate, the</p> <p>3 one that didn't just come into effect.</p> <p>4 A. Okay. Well --</p> <p>5 Q. That might be easier for us to deal</p> <p>6 with for purposes of this lawsuit.</p> <p>7 A. Okay. So, for the substitution</p> <p>8 rate, if there was an existing lender's policy</p> <p>9 within three years, the borrower would be entitled</p> <p>10 to 20 percent discount off the re-issue rate.</p> <p>11 Q. Which comes out to a blended rate of</p> <p>12 somewhere around 28 percent, I believe.</p> <p>13 A. Correct.</p> <p>14 Q. What evidence do you need in order</p> <p>15 to determine whether or not someone had a prior</p> <p>16 policy?</p> <p>17 A. Just that they --</p> <p>18 MR. MAY: And we are -- and we are</p> <p>19 talking about the time period of Ms. Cohen's</p> <p>20 transaction?</p> <p>21 MR. GORDON: We are talking --</p> <p>22 THE WITNESS: Correct.</p> <p>23 BY MR. GORDON:</p> <p>24 Q. Yes, yes, yes.</p> | <p style="text-align: right;">39</p> <p>1 THE WITNESS: -- right. There is</p> <p>2 not always insurance when people have mortgages,</p> <p>3 because they might have home equity lines of credit</p> <p>4 that --</p> <p>5 BY MR. GORDON:</p> <p>6 Q. Talking about first mortgages?</p> <p>7 A. First mortgages, yes.</p> <p>8 Q. There will always be insurance?</p> <p>9 A. Right. If it falls -- right. If it</p> <p>10 falls into that criteria --</p> <p>11 Q. I'd like to show you what's already</p> <p>12 been marked in this case as Exhibit Number</p> <p>13 something -- Exhibit Number 3, and ask if you have</p> <p>14 ever seen that document before?</p> <p>15 A. No, I have never seen this document.</p> <p>16 Q. For the record, that is the Issuing</p> <p>17 Agency Contract between Chelsea and Chicago Title.</p> <p>18 And I believe you were -- one of the</p> <p>19 requests of you was that we -- we asked you to go</p> <p>20 back and see if you could find the original signed</p> <p>21 contract, and you were unable to do that, I</p> <p>22 understand.</p> <p>23 A. Correct.</p> <p>24 Q. We had a deposition yesterday in</p> |
| <p style="text-align: right;">38</p> <p>1 A. Right.</p> <p>2 Q. Whatever --</p> <p>3 A. We are talking about what the --</p> <p>4 what the rates were or how they were determined --</p> <p>5 Q. Yes.</p> <p>6 A. -- in '01 --</p> <p>7 Q. Yes.</p> <p>8 A. -- or '02, when she closed.</p> <p>9 Q. Yes.</p> <p>10 What evidence would have been --</p> <p>11 what evidence would you have needed in order to</p> <p>12 give the --</p> <p>13 A. Well, that they were --</p> <p>14 Q. -- refinance rate or the re-issue</p> <p>15 rate?</p> <p>16 A. The recording date of the last</p> <p>17 insured mortgage.</p> <p>18 Q. Okay.</p> <p>19 A. Or the date of the last insured</p> <p>20 mortgage.</p> <p>21 Q. Just to show that she had a mortgage</p> <p>22 and there is always insurance?</p> <p>23 A. That it was a first mortgage --</p> <p>24 MR. MAY: Object to form.</p> | <p style="text-align: right;">40</p> <p>1 this case, however, with someone from Chicago Title</p> <p>2 and this is, in fact, the contract.</p> <p>3 What is your understanding as to the</p> <p>4 scope of authority that you, as the title agent,</p> <p>5 have for issuing title insurance on behalf of,</p> <p>6 let's say, Chicago Title?</p> <p>7 A. I don't believe I understand your</p> <p>8 question. What do you mean, my scope of authority</p> <p>9 to issue?</p> <p>10 Q. Does Chicago Title -- did Chicago</p> <p>11 Title look over your shoulder to make sure you were</p> <p>12 doing it the right way?</p> <p>13 A. I would imagine that Chicago Title</p> <p>14 came in and audited.</p> <p>15 Q. Okay.</p> <p>16 A. I was not privy to any of that,</p> <p>17 but --</p> <p>18 Q. Do you have any personal knowledge</p> <p>19 as to whether or not they ever audited?</p> <p>20 A. No.</p> <p>21 Q. Do you have any information about</p> <p>22 whether or not Chicago Title was watching every</p> <p>23 transaction?</p> <p>24 A. No.</p> |

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| <p style="text-align: right;">41</p> <p>1 Q. Did you have to get authority from 2 Chicago Title in order to issue a policy? 3 A. We would have to get authority from 4 Chicago Title to issue policies that exceeded 5 whatever was on the Agency Contract -- 6 Q. Okay. 7 A. -- or anything that was out of the 8 ordinary. 9 Q. So -- 10 A. Or that would be high risk. 11 Q. Okay. 12 A. Anything that would be a high risk. 13 Q. And I believe that -- 14 A. We would then need authority from 15 Chicago. 16 Q. And I believe -- 17 A. I -- you know -- 18 Q. -- the actual limit was -- 19 A. I would imagine that we would need 20 authority from Chicago. That's been my experience 21 with every underwriter that I've been with. 22 Q. Okay. 23 Looking at the contract, if you 24 could turn to -- and there is a little number in</p> | <p style="text-align: right;">43</p> <p>1 about the rates that were being charged? 2 A. I don't. 3 Q. Did you receive any training from 4 Chicago Title about how to issue policies for them? 5 A. No. 6 Q. Did -- did you ever meet with a 7 representative from Chicago Title? 8 A. I can't recall. 9 Q. Do you know a woman named Elizabeth 10 Ray? 11 A. Doesn't sounds familiar. 12 Q. So, I guess my next question is 13 self-evident. Did you ever meet with Ms. Ray? 14 A. I can't recall. 15 Q. Did you ever go to any seminars put 16 on by Chicago Title? 17 A. No. 18 Q. Do you know if any were ever 19 offered? 20 A. I would say, probably. 21 Q. Do you have any specific 22 recollection? 23 A. No, I don't. 24 MR. MAY: I'd just ask that you let</p> |
| <p style="text-align: right;">42</p> <p>1 the bottom corner, you'll see CHI 0537, which is 2 the fourth page of the agreement. You'll see, in 3 Paragraph 7, it says -- 4 A. Right. 5 Q. -- that the -- the limits of the 6 risk that you could write policies without prior 7 written approval is \$500,000. 8 Is that consistent with your 9 recollection? 10 A. I believe so. 11 Q. So let's -- for any policies under 12 \$500,000, you could underwrite the insurance 13 without calling Chicago Title? 14 A. Correct. 15 Q. You had virtually unlimited 16 authority to do that? 17 A. Correct. 18 Q. Did Chicago Title ever talk to you 19 about the rates that you were being charged? 20 A. Personally? 21 Q. Personally. 22 A. No. 23 Q. Do you have any information about 24 Chicago Title ever talking to anyone at Chelsea</p> | <p style="text-align: right;">44</p> <p>1 the witness finish her statement before you 2 interrupt. 3 MR. GORDON: I didn't think I was 4 interrupting, but I will be mindful of that, Mr. 5 May. 6 MR. MAY: Thank you. 7 BY MR. GORDON: 8 Q. Did you obtain any written materials 9 from Chicago Title giving you guidance on what 10 rates to charge for their policies? 11 A. You know, again, I'm in this area 12 of -- of recollecting specific things that are just 13 pretty much impossible to remember whether or not 14 I've seen -- only because we are constantly given 15 directives from underwriters, and I would not 16 imagine that Chicago would have been any different. 17 I read a lot of material, so, you 18 know, I don't want to say that Chicago did not ever 19 give us anything; I just can't remember it. 20 Whether or not -- you know, how often or when -- 21 when we received these materials. 22 Q. You don't have any recollection, 23 though, as to receiving anything? 24 A. No.</p> |

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| <p style="text-align: right;">45</p> <p>1 Q. Do you recall receiving a copy of</p> <p>2 the TIRBOP Manual?</p> <p>3 A. We had manuals in the office, yes.</p> <p>4 Q. Did you ever have --</p> <p>5 A. We had a number of manuals in the</p> <p>6 office. They were all over the place.</p> <p>7 Q. Did you ever have an underwriting</p> <p>8 manual for Chicago Title?</p> <p>9 A. I did not have an underwriting</p> <p>10 manual for Chicago, no.</p> <p>11 Q. Have you ever seen an underwriting</p> <p>12 manual for Chicago Title?</p> <p>13 A. I did not, no.</p> <p>14 Q. Did you ever have an escrow</p> <p>15 guideline for Chicago Title?</p> <p>16 A. No.</p> <p>17 Q. Do you ever recall seeing an escrow</p> <p>18 guideline for Chicago Title?</p> <p>19 A. No.</p> <p>20 Q. Did you ever have any bulletins from</p> <p>21 Chicago Title on what rates to charge?</p> <p>22 A. You know, we have lots of bulletins.</p> <p>23 I just don't recall whether or not they were</p> <p>24 Chicago's bulletins.</p> | <p style="text-align: right;">47</p> <p>1 A. Right.</p> <p>2 Q. From First American Title Insurance?</p> <p>3 A. From First American Title Insurance,</p> <p>4 yes.</p> <p>5 Q. And, just so that I understand your</p> <p>6 testimony, when you came over to work for Chelsea,</p> <p>7 there was no additional training that was offered</p> <p>8 by Chicago Title for you?</p> <p>9 A. No.</p> <p>10 What training -- what training</p> <p>11 would -- would they need to give me, I guess?</p> <p>12 Q. I'm just trying to find out if there</p> <p>13 was any training.</p> <p>14 A. Okay.</p> <p>15 Q. Any training whatsoever.</p> <p>16 And I did ask this question, but I</p> <p>17 want to ask a couple of follow-ups on it. You</p> <p>18 mentioned audits -- that they may have conducted</p> <p>19 audits, but you didn't know of any in particular.</p> <p>20 A. No. At the time I was just a</p> <p>21 closer. I wouldn't have been involved with those</p> <p>22 appointments or meetings or any of that.</p> <p>23 Q. Are you involved with any of the</p> <p>24 audits now?</p> |
| <p style="text-align: right;">46</p> <p>1 Q. Okay.</p> <p>2 A. So....</p> <p>3 Q. When you went from Global -- Global</p> <p>4 Abstract to Chelsea in July of 2001, I think your</p> <p>5 testimony was that you were the office manager at</p> <p>6 Global --</p> <p>7 A. Um-hum.</p> <p>8 Q. -- at that point, and then you</p> <p>9 became a settlement agent --</p> <p>10 A. Um-hum.</p> <p>11 Q. -- settlement clerk.</p> <p>12 What training did you receive in</p> <p>13 order to make that jump?</p> <p>14 A. Well, I was a settlement closer at</p> <p>15 Global, also.</p> <p>16 Q. Okay.</p> <p>17 A. First -- I was initially trained by</p> <p>18 First American when I started back in the '80s.</p> <p>19 Q. What training did you receive</p> <p>20 initially when you started closing loans?</p> <p>21 A. The training I received was the</p> <p>22 training I received from First American when I</p> <p>23 started at Global.</p> <p>24 Q. I'm sorry.</p> | <p style="text-align: right;">48</p> <p>1 A. No.</p> <p>2 Q. Are you aware whether Old</p> <p>3 Republic --</p> <p>4 A. Yes.</p> <p>5 Q. -- or Fidelity National or Stewart</p> <p>6 Title conduct audits?</p> <p>7 A. Yes.</p> <p>8 Q. And do they?</p> <p>9 A. Yes, they do.</p> <p>10 Q. Do all three of them conduct audits?</p> <p>11 A. Yes.</p> <p>12 Q. How often?</p> <p>13 A. Yearly or every two years, depending</p> <p>14 how -- how we do, how well we -- we pass.</p> <p>15 Q. Okay.</p> <p>16 Have you checked back in the</p> <p>17 corporate records to determine whether or not there</p> <p>18 are any audits that were ever conducted by Chicago</p> <p>19 Title?</p> <p>20 A. I have not checked. I don't know</p> <p>21 that there are any corporate records that would</p> <p>22 indicate that there were audits.</p> <p>23 Q. If you could specifically ask about</p> <p>24 that, I would appreciate it.</p> |

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| <p style="text-align: right;">49</p> <p>1 A. Sure.</p> <p>2 Q. And, if there are any, you know, you</p> <p>3 can apprise Mr. Searles and myself after this</p> <p>4 deposition.</p> <p>5 A. Okay.</p> <p>6 Q. I'd like to run through the general</p> <p>7 protocol for issuing title insurance in</p> <p>8 Pennsylvania. My understanding is that, and I</p> <p>9 think your testimony has already stated, that it's</p> <p>10 basically the same from company to company and it</p> <p>11 happens the same way, from beginning to end, but I</p> <p>12 want to make sure I understand the process, and</p> <p>13 it's my understanding the first step in the process</p> <p>14 is a referral of the work to Chelsea.</p> <p>15 A. Um-hum.</p> <p>16 Q. How are does that occur?</p> <p>17 A. Well, when we --</p> <p>18 MR. MAY: Object to the form.</p> <p>19 BY MR. GORDON:</p> <p>20 Q. You can answer the question.</p> <p>21 A. Oh. We get referrals from all</p> <p>22 different sources. We may have an actual borrower</p> <p>23 or buyer call us to order their insurance, or a</p> <p>24 real estate agent, an attorney.</p> | <p style="text-align: right;">51</p> <p>1 A. I can't answer that.</p> <p>2 Q. Does it happen often?</p> <p>3 A. It happens. I don't know if it's</p> <p>4 happened often. Most -- most buyers already have</p> <p>5 an ongoing relationship with their real estate</p> <p>6 agents or their mortgage brokers or their mortgage</p> <p>7 company that refer them to title insurance</p> <p>8 companies.</p> <p>9 Q. And is it fair to say that, at this</p> <p>10 initial step of the process, most of the time --</p> <p>11 A. Um-hum.</p> <p>12 Q. -- the title company doesn't have</p> <p>13 contact with the borrower, themselves?</p> <p>14 A. True.</p> <p>15 Q. After the referral of the business,</p> <p>16 what happens?</p> <p>17 A. Their -- their abstract is ordered,</p> <p>18 we prepare their title commitment, we --</p> <p>19 Q. Okay. You are getting ahead of me.</p> <p>20 A. Okay.</p> <p>21 Q. I want to ask some questions --</p> <p>22 A. Okay.</p> <p>23 Q. -- about the title abstract.</p> <p>24 Title abstract is also known as a</p> |
| <p style="text-align: right;">50</p> <p>1 Q. And the companies that make</p> <p>2 referrals to you, are they -- do you consider them</p> <p>3 your customers?</p> <p>4 A. Yes, we do.</p> <p>5 Q. How often is it that borrowers,</p> <p>6 themselves, self-refer themselves to Chelsea?</p> <p>7 A. Well, we have a number of customers</p> <p>8 that self-refer themselves. I mean, we do business</p> <p>9 with a lot of customers who buy and sell real</p> <p>10 estate routinely. Investors.</p> <p>11 Q. Okay.</p> <p>12 A. We also get -- well, we do -- we do</p> <p>13 have customers that come back to us after they've</p> <p>14 purchased a property, come back and refinance, or</p> <p>15 buy another property.</p> <p>16 Q. Those would be repeat customers?</p> <p>17 A. Um-hum.</p> <p>18 Q. How often is it that just an</p> <p>19 individual off the street will -- will find you?</p> <p>20 MR. MAY: Object to the form.</p> <p>21 THE WITNESS: Oh, gees, I don't</p> <p>22 know.</p> <p>23 BY MR. GORDON:</p> <p>24 Q. Rarely?</p> | <p style="text-align: right;">52</p> <p>1 title search?</p> <p>2 A. Um-hum.</p> <p>3 Q. How does -- how do you determine</p> <p>4 what type of title search or abstract is conducted?</p> <p>5 A. Well, if we are issuing title</p> <p>6 insurance, then we only order one type of abstract.</p> <p>7 It would be a 60-year chain of title search. The</p> <p>8 whole shebang.</p> <p>9 Q. Are you familiar with the -- the</p> <p>10 term "Bring-down search"?</p> <p>11 A. Yes.</p> <p>12 Q. What is a bring-down search?</p> <p>13 A. A bring-down search is a</p> <p>14 subsequent -- a subsequent search that we perform</p> <p>15 prior to settlement to cover the gap between our</p> <p>16 effective date of our commitment, our last search,</p> <p>17 and as close to the closing date as we possibly can</p> <p>18 get.</p> <p>19 Q. Okay.</p> <p>20 Short of a 60-year search, is there</p> <p>21 any other type of search that you can do?</p> <p>22 A. We can just do mortgage and judgment</p> <p>23 searches for people who are just looking for</p> <p>24 information.</p> |